

BOSTON PUBLIC LIBRARY



3 9999 06317 315 5

R

No. 9382.8^a110

Pt. 2

Sec. 8-15



A Supplement is bound
at the end of Part 2 in
Copy 2

UNITED STATES TARIFF COMMISSION

THE FOREIGN TRADE OF LATIN AMERICA



In three Parts



PART II

COMMERCIAL POLICIES AND TRADE RELATIONS OF INDIVIDUAL LATIN AMERICAN COUNTRIES

SECTION 14. - HONDURAS

Washington

1941

THE AMERICAS



UNITED STATES TARIFF COMMISSION

THE FOREIGN TRADE OF LATIN AMERICA

**A report on the Trade of Latin America
with Special Reference to Trade
with the United States**

**Under the General Provisions of Section 332
Part II, Title III, Tariff Act of 1930**

In three Parts

PART II

**COMMERCIAL POLICIES AND TRADE RELATIONS OF
INDIVIDUAL LATIN AMERICAN COUNTRIES**

SECTION 14. - HONDURAS

**Washington
1941**

UNITED STATES TARIFF COMMISSION

RAYMOND B. STEVENS, *Chairman*

OSCAR B. RYDER, *Vice Chairman*

EDGAR B. BROSSARD

E. DANA DURAND

A. MANUEL FOX

FRED H. BROWN

SIDNEY MORGAN, *Secretary*



Address All Communications

United States Tariff Commission

Washington, D. C.

FOREWORD

This analysis of the commercial policies of Honduras and its trade relations with the world and with the United States is one of a series making up part II of a report by the United States Tariff Commission on the foreign trade of Latin America. Part I deals with the trade of Latin America as a whole, part II with the trade of individual Latin American countries, and part III with Latin American export commodities. Part I contains a short description of the Latin American area, a consideration of the commercial policies of the Latin American countries, an examination of the total trade of Latin America with the world and with the United States, and an analysis of special problems in the foreign trade of Latin America, including those arising out of the present European war. Part II, consisting of 20 sections, is a survey of the commercial policy and the foreign trade of each of the 20 Latin American republics, with special emphasis on the trend, composition, and destination of exports, and the trend, composition, and source of imports. Each section also contains an analysis of the trade of the United States with the particular country. Part III deals individually with approximately 30 selected Latin American export commodities, for each of which there is a discussion of production, exports, trade barriers, prices, and competitive conditions, and the effects of the European war.

The countries covered in part II of this report are as follows:

Section 1. - Argentina

- do. 2. - Bolivia
- do. 3. - Brazil
- do. 4. - Chile
- do. 5. - Colombia
- do. 6. - Ecuador
- do. 7. - Paraguay
- do. 8. - Peru
- do. 9. - Uruguay
- do. 10. - Venezuela
- do. 11. - Costa Rica
- do. 12. - El Salvador
- do. 13. - Guatemala
- do. 14. - Honduras
- do. 15. - Nicaragua
- do. 16. - Panama
- do. 17. - Mexico
- do. 18. - Cuba
- do. 19. - Dominican Republic
- do. 20. - Haiti

ACKNOWLEDGMENT

The Tariff Commission makes grateful acknowledgment of the assistance received in the preparation of this report from the Pan American Union, and the Department of Commerce, especially the Division of Regional Information, and the Division of Finance which prepared the tables on balance of payments.

In the preparation of this report the Commission had the services of Allyn C. Loosley, Philip Mullenbach, and Frank A. Waring, and others of the Commission's staff. The statistics were compiled by the Statistical Division of the Commission, and the commodity summaries in part III were prepared by the Commodity Divisions.

CONTENTS

PART II

COMMERCIAL POLICIES AND TRADE RELATIONS OF INDIVIDUAL LATIN AMERICAN COUNTRIES

SECTION 14. - HONDURAS

	<u>Page</u>
Honduras - a description -----	1
Physical characteristics -----	1
Population -----	3
Natural resources and economy -----	5
Agricultural and pastoral industries -----	5
Mining -----	7
Forest industries -----	7
Manufacturing -----	8
Foreign investments -----	8
 The foreign trade of Honduras -----	 10
Honduran commercial policy -----	11
The tariff -----	11
Export duties -----	14
Exchange control -----	14
Exports from Honduras -----	15
Trend -----	15
Composition -----	21
Destination -----	24
Imports into Honduras -----	28
Trend -----	28
Composition -----	29
Sources -----	33
 United States trade with Honduras -----	 36
Trend of United States-Honduran trade -----	37
United States imports from Honduras -----	39
Composition -----	39
Bananas -----	39
Dutiable status of imports -----	40
United States exports to Honduras -----	43
Balance of payments between the United States and Honduras -----	47

CENTRAL AMERICA

MILES
0 100 200
50 150



SECTION 14. - HONDURAS

Honduras - A Description

Physical characteristics.

The Republic of Honduras,^{1/} third largest of the Central American countries, is bounded on the north by the Caribbean Sea, on the south-east by Nicaragua, on the northwest by Guatemala, and on the south by El Salvador and the Gulf of Fonseca. Extending about 200 miles from north to south at its widest point, and with a maximum length of more than 400 miles, it has a Caribbean coast line of about 350 miles, and a coast line on the Pacific Ocean (Gulf of Fonseca) of about 50 miles. The area of Honduras is 46,250 square miles, approximately equivalent to that of the State of New York.

Honduras is a mountainous and heavily timbered country. The mountain ranges and the spurs extending from them form a number of elevated tablelands and fertile valleys and plains. The principal plain is the Comayagua, northwest of Tegucigalpa, the capital city. It is about 40 miles in length and from 5 to 15 miles in width, and is very fertile. Other important plains are the Jamastran, the Lepaguare, and the Valle de Sula. In the mountain ranges of southern Honduras there are elevations of 10,000 feet; the mountains of the north are not as high.

^{1/} In Spanish, República de Honduras.

As in other mountainous tropical countries, the climate of Honduras varies considerably, depending on the altitude. In the coastal plains it is hot and humid, and the rainfall is heavy; in the plateau regions and in the mountains it is drier, and the climate is temperate and healthful. The average maximum temperature at Tegucigalpa is about 75° F. Although there are two seasons, the rainy and the dry, they are not clearly defined. In general, the rainy season extends from May to December and the drier season from January to April. Rainfall varies considerably in different parts of the country, but is heavier on the Atlantic coast than on the Pacific. The average annual rainfall at Tegucigalpa is about 65 inches.

The principal rivers of Honduras are the Ulúa, the Chameleco, the Aguan, the Sica, the Patuca, the Tinto, and the Wanks, which flow into the Caribbean Sea, and the Choluteca, the Goascorán, and the Nacaome, which flow into the Pacific. The chief navigable river is the Ulúa, which rises in the Comayagua Plain, and drains about one-third of the country; it is navigable for about 125 miles. There is one large navigable lake, Lake Yojoa, which is 25 miles long and 6 to 8 miles wide, situated in the western part of the country.

Approximately 1,500 miles of railroad are in operation in Honduras; about 800 miles is main line trackage. All of the railroads are owned or operated by two large fruit companies in northern Honduras. The principal lines are the Truxillo Railway, operating from Puerto Castilla toward Juticalpa; the Standard Fruit Railway Company, operating plantation railways east and west from La Ceiba; the Tela

Railway, ^{1/} operating plantation railways from Tela; and the National Railway of Honduras, ^{2/} which connects Puerto Cortés with Potrerillos, a distance of 60 miles. Tegucigalpa, the capital, is not served by a railroad.

In 1938 there were about 500 miles of highways in Honduras, of which more than 300 miles were all-weather roads. The principal highways are the Carretera del Sur, from Tegucigalpa to San Lorenzo (84 miles), and the Carretera del Norte, from Tegucigalpa to Lake Yojoa (154 miles). Trunk highways between other points are under construction. During the fiscal year 1939-40, approximately 69 thousand dollars was expended on the constructed portion of the Pan American Highway between Nacaome and Choluteca. On January 1, 1941, there were 1,590 automotive vehicles registered in Honduras.

Population.

In 1935, the year of the most recent census, the population of Honduras was 962,000, or about 21 persons to the square mile. Large sections of the country, however, are virtually unoccupied. By far the greater part of the Honduran population is rural; the 10 principal cities, including adjacent rural populations, accounted in 1935 for less than 15 percent of the total population. The Territory of Mosquitia, one of the two largest subdivisions of Honduras, is sparsely inhabited and largely unexplored.

^{1/} Ferrocarril Tela.

^{2/} Ferrocarril Nacional de Honduras.

The principal city of Honduras is its capital, Tegucigalpa. Located on an interior plateau at an elevation of about 3,500 feet, its population in 1935 was 35,000. Other important interior cities, with their populations in 1935,^{1/} are San Pedro Sula, in the northwestern part of the country, 17,500; Choluteca, inland from the Gulf of Fonseca, 13,600; Nacaome, near the Gulf of Fonseca, 11,300; Santa Rosa de Copán, in the western part of the country, 10,500; and Comayagua, northwest of Tegucigalpa, 10,300. The principal port on the Pacific Ocean is Amapala; located on Tigre Island, in the Gulf of Fonseca, it has a population of 2,900. Important ports on the Caribbean Sea, with their populations, are La Ceiba, 13,800; Trujillo, 10,300; Tela, 9,900; and Puerto Cortés, 6,500. All of these ports are located on the western half of the Caribbean coast of Honduras.

The people of Honduras are largely of European, Indian, and mixed European and Indian stock. Full-blooded Indians are estimated to number about 35,000; they live principally in the Mosquitia area in the eastern part of the Atlantic coast. On the Caribbean coast there are a number of Negroes, most of whom are employed by United States fruit-exporting companies. The language of Honduras is Spanish, but some Indian tribes speak only their own dialects. English is quite generally understood on the northern coast, where the fruit companies operate.

^{1/} These figures apparently include both the urban population of the cities and the population of their adjacent rural districts.

Natural resources and economy.

Agricultural and pastoral industries. - Although mining has become of considerable importance in recent years, Honduras is essentially an agricultural country. The principal agricultural exports are bananas and coffee, but small quantities of leaf tobacco, citrus fruits, and other products are shipped abroad. Sugar cane, beans, rice, corn, wheat, potatoes, cotton, and henequen are grown principally for domestic consumption, although there are occasionally some exports to the adjacent countries. Corn, the most important agricultural crop in Honduras, is an important element in the diet of the people. Little wheat is grown. Sugar, at one time an important export product, is no longer shipped abroad. Except for the extensive banana plantations in northern Honduras, there are no large agricultural estates, and farming is conducted chiefly on small holdings. Only a small part of the total area of the country is under cultivation.

The export trade of Honduras is largely dependent upon one commodity, bananas; in the decade 1929-38 this product constituted from three-fifths to four-fifths or more of total exports. Because of the importance of bananas, the effects of fluctuations in prices of that product, shifts in markets, and variations in the volume of production are directly reflected in both the export and the import trade. Moreover, since government revenue is in large part provided by import and export duties, any diminution in the foreign trade of the country adversely affects the fiscal position of the Government.

Although bananas grow in most parts of the country, up to elevations of 3,000 feet, production takes place principally in the humid lowlands along the Caribbean coast. Two United States companies are engaged in the trade. From 1928 to 1934 Honduras was the world's leading exporter of bananas. In 1938, however, it ranked third, being exceeded by both Jamaica and Mexico. The peak of Honduran production of bananas was reached in 1929. The decline in production after 1935 is attributable to the outbreak of sigatoka or leaf-spot disease and the subsequent abandonment of substantial banana acreage. Serious efforts have been made to control the disease, and the spraying and dusting of the banana plants has brought it partially under control. The decline in the production of bananas has adversely affected the export trade of Honduras, and the decline in exports has, of course, operated to reduce imports.

Coffee is the second ranking Honduran agricultural export. Production and exports are small compared with other countries of Central America, but the coffee is of good quality. Cultivation occurs principally in the eastern part of the country in the Departments of Santa Barbara, Gracias, Copán, and Choluteca, at elevations of from 1,500 to 3,000 feet. The industry is not highly organized; production is largely by independent proprietors on small holdings. Exports of coffee in 1937-38 amounted to 2.6 million pounds.

The cultivation of tobacco and the manufacture of cigars is an important industry in Honduras. The tobacco, grown in the western Departments, is consumed principally in the domestic market, but large numbers of cigars are exported to El Salvador.

Honduras has large areas of natural pasturage suitable for the raising of livestock; the principal ones now in use are in the north-central part of the country. The number of cattle in the country is estimated to be between 400 thousand and 500 thousand. Cattle hides are exported, as well as some live cattle.

Mining. - A large number of minerals exist in Honduras, but, with the exception of gold and silver, few have been worked on a commercial basis. Some minerals occur in each of the Departments. The mining of gold and silver has been very active since 1933. The value of gold production in 1939 was estimated to be 1.2 million dollars. Production of silver in 1939 amounted to 4.1 million troy ounces, valued at approximately 1.6 million dollars. Next to bananas, precious metals constitute the most important Honduran export; in 1938, gold and silver together accounted for more than one-fourth of total exports. Other minerals and ores occurring in Honduras include copper, iron, coal, lead, zinc, nickel, antimony, and cinnabar. There is a small production of some of these minerals.

Forest industries. - The forest resources of Honduras are extensive. Large stands of mahogany and other hardwoods exist in the northeastern part of the country, in the interior valleys, and near the southern coast. There are some exports of mahogany, but exports of other woods are negligible. Mahogany and other hardwoods were long an important item of export, but the increasing cost of inland transportation has caused a decline in production. Substantial quantities of coconuts are exported; they are grown principally in

the Puerto Sol district of the Atlantic coast, from the Ulúa River to the Cuero River, and in the Bay Islands. Exports in 1938 amounted to 6.7 million nuts, valued at 82 thousand dollars. There are small exports of copra.

Manufacturing. - With the exception of small factories devoted to the production of light consumer goods, there has been little industrial development in Honduras. The industries for the most part operate on a small scale, employ but a few workers, and produce for a limited local market. Among the commodities produced are ready-made clothing, shoes, straw hats, leather goods, soap, candles, beer, mineral water, matches, cigars, cigarettes, wheat flour, banana flour, coffee, lard, coconut oil, canned fish, preserves, brooms, turpentine, and tiles. Practically the only manufactured product exported by Honduras is cigars, all of which customarily go to El Salvador.

Foreign investments. - Statistics of foreign investments in Honduras, other than those of the United States and the United Kingdom, are not available. United States direct investments at the end of 1936 amounted to 36.4 million dollars.^{1/} No data are available to show the composition of these investments by economic groups, but they are probably in agriculture (bananas), mining, public utilities, and transportation. No information is available concerning the size of the

^{1/} U. S. Department of Commerce, American Direct Investments in Foreign Countries - 1936, p. 12. "Direct" investments are defined as all United States investments in those foreign corporations or enterprises which are controlled by a person or small group of persons (corporate or natural) domiciled in the United States, or in the management of which such person or group has an important voice.

United States portfolio of Honduran securities.^{1/} In 1940, United Kingdom investments of all types in Honduras were estimated to be 1.7 million pounds sterling (approximately 7 million dollars).^{2/}

^{1/} "Portfolio" investments are defined as equity and other security investments in foreign-controlled corporation, and investments in the security issues of foreign governments or subdivisions thereof.

^{2/} The South American Journal, Jan. 25, 1941, pp. 49-50.

The Foreign Trade of Honduras

In recent years Honduras has accounted for about one-sixth of the value of all exports from the six countries of Central America, and for about one-eighth of all imports into them. Exports in the fiscal year ^{1/}1939 were valued at 9.9 million dollars, as compared with imports of 9.7 million dollars. ^{2/}

Exports from Honduras customarily exceed imports into the country; exports have been greater than imports in 12 of the 16 fiscal years 1924-39. Exports exceeded imports in all years of the decade 1929-38 except in 1937 and 1938, when the import balances were, respectively, 746 thousand and 2.2 million dollars. Export balances in the 8 fiscal years 1929-36 ranged from 492 thousand dollars (1936) to 10.2 million dollars (1930). ^{3/}

In proportion to its population, the foreign trade of Honduras is small. Exports in 1939 were equal to about \$9.80 per capita, and imports to \$9.70 per capita.

^{1/} Prior to 1937-38, all years are fiscal years ended July 31. In 1938 the fiscal year was changed by law to end June 30. The statistics for 1937-38, therefore, originally consisted of but 11 months (July 1-June 30). Subsequently, to make the statistics for that fiscal year comparable with those for other years, statistics for July 1938 were added to the 1937-38 fiscal year and thus made it a 12-month period. Consequently, July 1938 appears in both the 1937-38 and 1938-39 fiscal years.

^{2/} The Honduran monetary unit, the lempira, is maintained at the fixed rate of 2 lempiras to 1 United States dollar.

^{3/} Export values employed by Honduras are f.o.b. Honduran port or frontier, excluding export duties. Import values are f.o.b. place of consignment, excluding consular fees, as declared by merchants.

Honduran commercial policy.

The tariff. - Honduras has a single-column tariff, from which conventional reductions were made in the trade agreement with the United States, effective March 2, 1936. These concessions were tentatively extended to Germany on August 1, 1936, but apparently were not extended to Belgium-Luxemburg and France, the other two countries with which Honduras had most-favored-nation agreements.^{1/} The most-favored-nation agreements with Germany and France were denounced by Honduras later in 1936.

In the trade agreement between the United States and Honduras, effective March 2, 1936, tariff concessions granted by Honduras to the United States included reductions in duty on 17 tariff classifications, and bindings against increase in duty on 20 others. About 120 commodities were affected. The reductions in the Honduran duties ranged from about one-third to three-fourths of the duties in effect prior to the conclusion of the agreement. About 24 percent of United States exports to Honduras in 1934 were affected by the agreement. Concessions made by the United States to Honduras related entirely to distinctive tropical products. Five tariff items, making up a large part of total imports from Honduras, were bound on the free list, and reductions in duty were granted on four other products.^{2/} The products covered in the agreement represented 96 percent of United States imports from Honduras in 1934.

^{1/} The nonextension of the concessions to Belgium-Luxemburg and France was apparently on the ground that these countries had established exchange controls, quotas, or other measures which restricted imports from Honduras.

^{2/} See the section on United States trade with Honduras.

By a decree of December 15, 1937, effective January 21, 1938, Honduras inaugurated a triple-column tariff, based on trade balances. The maximum column (basic rates plus 50 percent) was applicable to the products of countries exports to which were valued at less than 25 percent of imports therefrom. The middle column (basic rates plus 25 percent) applied to the products of countries whose purchases from Honduras amounted to between 25 and 50 percent of their sales thereto. The minimum column (the rates hitherto in force) applied to the products of foreign countries taking Honduran products valued in excess of 50 percent of their sales to the Republic. The surcharges were applicable on the basis of trade statistics for the fiscal year ended July 31, 1937. Under the law, the Honduran Executive had discretionary power to apply the lowest rates to commodities from countries not entitled to such rates, provided the commodities were not obtainable elsewhere, and to raw materials and articles of prime necessity, irrespective of the country of origin.

The triple-column trade-balancing tariff was abolished February 8, 1939, and Honduras reverted to the single-column tariff system. The Executive does not have the power to alter import duties, either autonomously or in trade agreements, prior to legislative approval. Preferential rates are accorded to other countries of Central America which grant reciprocal preference to Honduran products. An agreement of February 28, 1918, between Honduras and El Salvador, provides for reciprocal free trade in the products of both countries. A similar

agreement with Nicaragua, concluded in 1930, was denounced by Honduras to expire July 17, 1936. There is no board or commission in Honduras to advise the Government on matters relating to the tariff.

The Honduran tariff is primarily for revenue,^{1/} but it restricts foreign competition with a number of the products of domestic industry. The rates of duty are high. The tariff law now in force was promulgated May 19, 1934, but certain additions, deletions, and changes in rates have been made from time to time. Duties are almost entirely specific. The specific duties are, with few exceptions, based on weight (gross kilograms). The ad valorem duties, except for precious stones and metals, are based on values f.o.b. port of export in country of origin.

In addition to the regular import duties, there are various wharfage, port, and stowage charges, and a toll tax.^{2/} The Honduran Congress on January 30, 1940, established an ad valorem tax of 1 percent of the total value of each invoice covering foreign merchandise imported into Honduras through all land and sea ports of entry. The revenue derived from this tax is to be used for the construction and maintenance of the Honduran national highways.^{3/}

^{1/} Of the Honduran revenues for the fiscal year 1938-39, which amounted to 11.4 million lempiras, 35 percent were accounted for by customs duties. Monopoly revenues yielded 21 percent; revenues from services, 17 percent; special revenues, 9 percent; stamp taxes, 8 percent, and other revenues, 10 percent.

^{2/} Parcel post packages are assessed additional surcharges ranging from 50 centavos to 2.50 lempiras, depending on the amount of the duties.

^{3/} By action of April 8, 1927, and February 26, 1931, a 1-percent ad valorem tax had been imposed on all foreign merchandise entering Puerto Cortés.

Export duties. - Export duties are levied by Honduras on a number of products, including bananas, female cattle, and a wide variety of specified woods, ^{1/} as well as unspecified construction woods, cabinet woods, and dyewoods. The export duty on bananas is 2 centavos (\$0.01) per bunch, unless the exports are made by organizations to which concessions have been granted. ^{2/} The export duty on female cattle is 50 lempiras (\$25) per head. The private export of gold in any form is prohibited.

Exchange control. - The gold standard was suspended in Honduras, and exchange control was introduced on May 27, 1934. The lempira is officially maintained at the rate of two lempiras to one United States dollar. All purchases and sales of foreign exchange must be made through the banks in the country, and must be authorized by the Exchange Control Commission. Each month, after the quantity of available exchange has been determined, a percentage thereof is allotted for imports, by means of quotas assigned to importers. These quotas are based on their actual importations over a specified period. No import permits are required.

^{1/} These include aguacatillo, brazilwood, logwood, careta, cedar, Cortés, cypress, ebony, oak, granadillo, Guanacaste, guachipilin, guarilla, lancewood, laurel, lignum vitae, mahogany, masicaran, mora, ocotillo, paleta, quebracho, rosewood, ronron, San Juan, Santa María, supe, toncontin, and walnut.

^{2/} No information is available concerning export duties applicable to bananas exported by companies operating under concessions.

Exports from Honduras.

Trend. - Despite certain changes in the composition of the Honduran export trade in the period 1929-39, it is still characterized by the predominance of bananas and precious metals. Significant features of the trade during the decade were the failure of export values to recover after 1932, the decline in the share of bananas in total exports, the rising share of precious metals, and the increasing importance of the United States as a market. Exports from Honduras to all countries and to the United States, in the fiscal years 1924-39, are shown in tables 1 and 2.

In several respects the export trade of Honduras after 1929 did not follow the general pattern of world trade or of Latin American trade as a whole. For example, the year 1929, the earliest shown in the detailed tables hereinafter presented, was not a peak year either in exports to the world or to the United States.^{1/} In the Honduran export trade, the peak came in 1930, when exports to the world exceeded the average for the 6 years 1924-29 by 59 percent. Exports to the United States in 1930 exceeded the 6-year average by 49 percent. Moreover, the value of Honduran exports did not recover after 1932, but continued downward until 1938, broken only by a slight increase in 1937.

^{1/} According to the Honduran statistics, which include gold and silver, and which are based on fiscal years. See the section on United States trade with Honduras.

Table 1. - Honduras: Trade with the world, 1924-39^{1/}
(In thousands of U.S. dollars)^{2/}

Year	:	Exports	:	Imports
1924	-----:	7,897	:	11,138
1925	-----:	11,983	:	12,753
1926	-----:	13,456	:	9,900
1927	-----:	17,546	:	10,630
1928	-----:	23,143	:	12,574
	:		:	
1929	-----:	24,569	:	14,861
1930	-----:	26,171	:	15,946
1931	-----:	20,028	:	10,291
1932	-----:	17,581	:	8,368
1933	-----:	14,277	:	6,288
	:		:	
1934	-----:	12,400	:	8,382
1935	-----:	10,508	:	9,586
1936	-----:	9,215	:	8,723
1937	-----:	9,641	:	10,387
1938	-----:	8,166	:	10,343
	:		:	
1939	-----:	9,867	:	9,703
	:		:	
	:		:	

^{1/} Prior to 1937-38, all years are fiscal years ending July 31. In 1938 the fiscal year was changed by law to end June 30. The statistics for 1937-38, therefore, originally consisted of but 11 months (July 1-June 30). Subsequently, to make the statistics for that fiscal year comparable with those for other years, statistics for July 1938 were added to the 1937-38 year, and thus made it a 12-month period. Consequently, July 1938 appears in both the 1937-38 and 1938-39 fiscal years.

^{2/} The Honduran monetary unit, the lempira, is maintained at the rate of 2 lempiras to 1 United States dollar. The Honduran statistics are variously recorded in lempiras and United States dollars.

Source: Compiled by the U. S. Tariff Commission from Memoria del Subsecretario de Estado encargado del despacho de Hacienda y Crédito Público, except 1924 and 1925 statistics, which are from the Pan American Union.

Table 2. - Honduras: Trade with the United States, 1924-39^{1/}(Value in thousands of U. S. dollars)^{2/}

(Value in thousands of U. S. dollars)						
Year	Exports			Imports		
	Value	Percent of		Value	Percent of	
		total to			total from	
		United States			United States	
1924	7,186	91.0		9,784	87.8	
1925	11,072	92.4		10,264	80.5	
1926	10,309	76.6		8,116	82.0	
1927	13,486	76.9		8,445	79.4	
1928	17,647	76.3		10,029	79.8	
1929	18,273	74.4		11,563	77.8	
1930	19,352	73.9		11,886	74.5	
1931	14,500	72.4		7,368	71.6	
1932	11,881	67.6		6,376	76.2	
1933	9,671	67.7		4,645	73.9	
1934	8,891	71.7		5,882	70.2	
1935	8,708	82.9		6,189	64.6	
1936	7,519	81.6		5,796	66.4	
1937	8,563	88.8		6,029	58.0	
1938	7,104	87.0		6,347	61.4	
1939	8,949	90.7		6,333	65.3	

^{1/} Prior to 1937-38, all years are fiscal years ending July 31. In 1938, the fiscal year was changed by law to end June 30. See table 1, footnote 1.

^{2/} For the value of Honduran currency, see table 1, footnote 2.

Source: Compiled by the U. S. Tariff Commission from Memoria del Subsecretario de Estado encargado del despacho de Hacienda y Crédito Público, except 1924 and 1925 statistics, which are from the Pan American Union.

After an increase from 24.6 million dollars in 1929 to 26.2 million dollars in 1930, exports from Honduras declined regularly to 9.2 million dollars in 1936. They increased to 9.6 million dollars in 1937, but declined to 8.2 million dollars in 1938. In 1939 exports increased to 9.9 million dollars, or 38 percent of the 1930 level. The failure of Honduran exports to recover after 1932 may be attributed in large part to the damage done to banana plants by the sigatoka or leaf-spot disease, which has been prevalent in Honduras for some years. Since 1939 some progress in controlling this disease has been reported.

Price and quantum indexes of exports from Honduras are not available. The effect of fluctuations in prices and quantities on the export trade, however, is indicated by statistics for the leading export commodity - bananas - which in the period 1929-39 constituted from three-fifths to four-fifths of total exports. The statistics indicate that the decrease in the value of Honduran exports between 1930 and 1938 is due almost entirely to the decline in the quantities of bananas exported, rather than to fluctuations in prices.

Quantities, values, and unit values of exports of bananas from Honduras to principal markets, in specified fiscal years, 1929 to 1939, are shown in table 3. Exports of bananas increased from 29.9 million bunches^{1/} in 1929 to 31.1 million bunches in 1932. The unit value meanwhile dropped from \$0.698 per bunch to \$0.449, a decline of more than one-third. After 1932, exports of bananas declined sharply to 13.6 million bunches in 1936. They recovered slightly to

^{1/} Bunches of 50 pounds.

14.1 million bunches in 1937, but declined to 9.4 million in 1938 (11 months). In 1939, they amounted to approximately 14 million bunches. Average unit values of exports of bananas did not change markedly between 1932 and 1939^{1/} (see table 3).

^{1/} Inasmuch as bananas are produced in Honduras largely by United States companies, and enter this country free of duty, the recorded value of exports of bananas from Honduras (and therefore the unit values of such exports) may have little significance.

Table 3. - Bananas: Exports from HONDURAS to principal markets, in specified fiscal years, 1929 to 1939 ^{1/}

Country	1929	1932	1936	1937	1938 ^{2/}	1939
Quantity (1,000 bunches of 50 pounds)						
Total, all countries	29,899	31,058	13,615	14,150	9,417	13,958
UNITED STATES	24,712	19,809	10,869	12,890	8,220	)
Germany	3,057	3,598	256	111	270	)
United Kingdom	1,820	4,016	1,141	114	240	) ^{3/}
Netherlands	310	3,415	1,176	727	481	)
All other	4/	220	173	308	206	)
Percentage to the United States	82.7	63.8	79.8	91.1	87.3	) ^{3/}
Value (1,000 lempiras)						
Total, all countries	5/	5/	11,929	5/	8,452	12,489
Value (1,000 U. S. dollars)						
Total, all countries	20,869	13,950	5,965	6,299	4,226	6,245
UNITED STATES	16,210	8,898	4,754	5,739	3,688	)
Germany	2,746	1,616	115	50	121	)
United Kingdom	1,635	1,803	490	45	108	) ^{3/}
Netherlands	278	1,534	528	326	216	)
All other	4/	99	78	139	93	)
Percentage to the United States	77.7	63.8	79.7	91.1	87.3	) ^{3/}
Unit value per bunch of total exports	\$0.698	\$0.449	\$0.438	\$0.445	\$0.449	\$0.447

^{1/} Prior to 1937-38, all years are fiscal years ending July 31. In 1938, the fiscal year was changed by law to end June 30. See table 1, footnote 1.

^{2/} 11 months. Data for 12 months are not available.

^{3/} Not available.

^{4/} Not over 500.

^{5/} Reported in United States dollars in 1929, 1932, and 1937.

Source: Compiled by the U. S. Tariff Commission from statistics of the Pan American Union (1929); Great Britain, Department of Overseas Trade (1932, 1936, and 1937); and official trade statistics of Honduras (1938 and 1939). Converted to United States weights and currency by applying the following factors: 1 Honduran bunch = 1.113323 fifty-pound United States bunches; 1 lempira = 1937-39, \$0.50.

Composition. - Exports from Honduras consist principally of bananas, silver, and gold. In 1939, these three commodities accounted for 88 percent of all shipments abroad, bananas alone constituting 63 percent of the total. Exports from Honduras, by groups and principal commodities, in specified fiscal years, 1929 to 1939, are shown in table 4.

For every commodity shown in table 4, except manufactured products, there was a drop in the dollar value of exports between 1929 and 1932. Bananas, raw tobacco, and manufactured products decreased in dollar value in 1937 as compared with 1932, but all other commodities showed increases. For the principal commodities, the ratios of the dollar values of exports in 1939 to those in 1929 were as follows:^{1/} Bananas, 30 percent; gold and silver, 164 percent; coffee, 47 percent; coconuts, 35 percent; raw tobacco, 27 percent; live animals, 74 percent; and manufactured products, 35 percent.

Bananas accounted for from two-fifths to four-fifths or more of the value of total exports from Honduras in the period 1929-39. As a result of the ravages of the leaf-spot disease and increased exports of silver and gold, however, the share of bananas declined from 85 percent in 1929 to 59 percent in 1938; in 1939 it was 63 percent. Other agricultural products exported from Honduras include coffee, grapefruit, coconuts, and raw tobacco. Coffee, the most important, accounted for somewhat more than 2 percent of total exports in both 1929 and 1939 (see table 4).

^{1/} Statistics for 1938 actually cover but 11 months and are therefore not strictly comparable with those for other years.

Precious metals constituted a much larger part of Honduran exports in 1938 and 1939 than in 1929; the share of this group increased irregularly from 6 percent in 1929 to 26 percent in 1938; in 1939 it was 25 percent. In 1929 practically all exports of the precious metals were of silver in bars. In 1939, however, about two-thirds consisted of silver, and the remainder of gold amalgam and gold in bars.

Other Honduran exports, with their share of the total in 1939, include mineral tailings, 3 percent; live animals (largely cattle), 1.5 percent; and manufactured products (almost entirely cigars), less than 1 percent.

Table 4. - Honduras: Exports,^{1/} by groups and principal commodities, in specified fiscal years, 1929 to 1939

(Value in thousands of U.S. dollars)^{2/}

Commodity group or commodity ^{3/}	1929			1932			1936			1937			1938 ^{4/}			1939		
	Value	Percent of total	Percent of exports	Value	Percent of total	Percent of exports	Value	Percent of total	Percent of exports	Value	Percent of total	Percent of exports	Value	Percent of total	Percent of exports	Value	Percent of total	Percent of exports
Grand total	24,569	100.0	100.0	17,581	100.0	100.0	9,215	100.0	100.0	9,641	100.0	100.0	8,166	100.0	100.0	9,867	100.0	100.0
Foodstuffs and beverages	22,298	90.8	82.4	14,480	82.4	64.50	6,450	70.0	68.74	6,874	71.3	71.3	5,216	63.9	63.9	6,648	67.4	67.4
Bananas	20,869	84.9	79.3	13,950	79.3	5,965	64.7	62.99	65.3	4,800	58.8	58.8	3,245	39.8	39.8	4,245	43.0	43.0
Coffee, in the grain	526	2.1	1.6	287	1.6	230	2.5	378	3.9	189	2.3	2.3	248	3.0	3.0	248	2.5	2.5
Grapefruit	5/			5/		129	1.4	20	.2	91	1.1	1.1	63	.8	.8	63	.6	.6
Coconuts	153	.6	.6	99	.6	71	.8	129	1.3	89	1.1	1.1	54	.7	.7	54	.5	.5
Gold and silver	1,494	6.1	15.6	2,742	15.6	2,222	24.1	2,165	22.4	2,090	21.6	21.6	2,453	30.1	30.1	2,453	24.9	24.9
Silver, in bars	1,483	6.0	15.4	1,421	8.1	1,541	16.7	1,423	14.7	1,329	13.8	13.8	1,675	20.5	20.5	1,675	17.0	17.0
Gold in all forms	11	6/	6/	7	6/	669	7.3	721	7.5	759	7.9	7.9	778	9.5	9.5	778	7.9	7.9
Raw materials	432	1.7	1.7	123	.7	425	4.6	485	5.0	485	5.0	5.0	560	6.9	6.9	560	5.7	5.7
Mineral tailings	5/					287	3.1	359	3.7	353	3.7	3.7	281	3.4	3.4	281	2.8	2.8
Tobacco, raw	216	.9	103	.6	.6	79	.9	60	.6	114	1.4	1.4	59	.7	.7	59	.6	.6
Cyanide, precipitates of	5/		5/			5/	5/	5/	5/	82	1.0	1.0	59	.7	.7	59	.6	.6
Live animals	207	.8	.8	41	.2	74	.8	83	.9	149	1.8	1.8	154	1.9	1.9	154	1.5	1.5
Manufactured products	148	.6	196	1.1	1.1	44	.5	34	.4	26	.3	.3	52	.6	.6	52	.5	.5

^{1/} General exports. Bullion and specie are included. Transit and transshipments are excluded. Values are invoice values, f.o.b. Honduras port or frontier, excluding export duties, as declared by merchants and verified by the customs.

^{2/} The Honduran monetary unit, the lempira, is maintained at the rate of 2 lempira to 1 United States dollar. See table 1, footnote 2.

^{3/} Classifications employed in this table are those given in the Honduran export statistics for 1938-39. Groups are ranked according to value in 1938-39.

^{4/} Prior to 1937-38, all years are fiscal years ending July 31. In 1938, the fiscal year was changed by law to end June 30. See table 1, footnote 1.

^{5/} Not shown separately.

^{6/} Less than one-tenth of 1 percent.

Source: Compiled by the U. S. Tariff Commission from Memoria del Subsecretario de Estado encargado del despacho de Hacienda y Crédito Público.

Destination. - The principal foreign markets for the products of Honduras in 1938, with the share of the value of total exports taken by each country, were the United States, 87 percent; El Salvador, 3 percent; the Netherlands, 3 percent; and Germany, 3 percent. Other markets in 1938 included the United Kingdom, Belgium, Japan, and Italy. In 1939, the principal markets were the United States (91 percent) and El Salvador (3 percent). Exports from Honduras to selected countries, in specified fiscal years, 1929 to 1939, are shown in table 5. More detailed data for 1937 are shown in table 6.

The United States has long been by far the principal market for Honduran exports. Its share, which was 74 percent of the total in 1929, increased irregularly to 91 percent in 1939. The value of United States purchases from Honduras ranged from 7.5 million dollars (1936) to 19.4 million (1930); in 1939 it was 8.9 million dollars. In 1929, Germany occupied second place in Honduran exports, with 12 percent of the total, followed by the United Kingdom with 8 percent. The shares of these two countries varied during the period 1929-39; in 1939, the share of each of them amounted to but 2 percent. Purchases of Honduran products by Germany ranged from 130 thousand dollars (1937) to 2.9 million dollars (1929); in 1939 they amounted to 191 thousand dollars. Purchases by the United Kingdom varied from 58 thousand dollars (1937) to 2 million dollars (1932), and in 1939 were 180 thousand dollars. France, Italy, and Japan have not been important purchasers of Honduran products (see table 5).

Exports from Honduras to other countries of Latin America are small. In 1937, for example, they amounted to 188 thousand dollars, or 2 percent of total shipments abroad. The principal Latin American market in that year was El Salvador.

The United States has been by far the principal market for Honduran bananas, its share in this trade ranging from three-fifths (1932) to nine-tenths (1937) of the total in the decade 1929-38; in 1938 its share was 87 percent.^{1/} Other markets included Germany, the United Kingdom, and the Netherlands. In 1929 and 1932 these three countries purchased substantial quantities of bananas, but in the period 1936-38 their purchases declined markedly (see table 3).

All or practically all exports of gold, silver in bars, plantains, coconuts, grapefruit, and oranges from Honduras have customarily gone to the United States. In recent years, all exports of leaf tobacco, cigars, cattle, hogs, and lard have been taken by El Salvador. Prior to the outbreak of the war in Europe, France, Germany, and the United States were the principal markets for Honduran coffee, but their positions in the trade varied from year to year. Before the war all exports of cattle hides went to Germany, and those of sarsaparilla to Germany and the United States.

^{1/} The latest year for which detailed statistics are available.

Table 5. - Honduras: Foreign trade with selected countries, in specified fiscal years, 1929 to 1939^{1/}

Country	(Value in thousands of U. S. dollars) ^{2/}											
	1929			1932			1936			1937		
	Value	Percent	of total	Value	Percent	of total	Value	Percent	of total	Value	Percent	of total
Exports to: ^{3/}												
All countries	24,569	100.0		17,581	100.0		9,215	100.0		9,641	100.0	
UNITED STATES	18,273	74.4		11,881	67.6		7,519	81.6		8,563	88.3	
United Kingdom	1,979	8.0		2,016	11.5		525	5.7		342	3.6	
Germany	2,947	12.0		1,704	9.7		192	2.1		217	2.3	
Japan	4/	-		4/	-		5/	5/		6/	6/	
Italy	15	.1		12	.1		2	.2		3	.3	
France	60	.2		147	.8		121	1.3		7	.1	
All other	1,275	5.3		1,321	10.3		856	9.3		707	7.3	
Imports from: ^{2/}												
All countries	14,861	100.0		8,368	100.0		8,723	100.0		10,343	100.0	
UNITED STATES	11,563	77.8		6,376	76.2		5,796	66.4		6,029	58.0	
United Kingdom	838	5.6		334	4.0		310	3.6		339	3.3	
Germany	632	4.3		304	3.7		545	6.2		990	9.5	
Japan	71	.5		42	.5		667	7.6		1,516	14.6	
Italy	162	1.1		69	.8		23	.3		21	.2	
France	296	2.0		237	2.8		84	1.0		94	.9	
All other	1,299	8.7		1,006	12.0		1,298	14.9		1,398	13.5	
^{1/} Prior to 1937-38, all years are fiscal years ending July 31. In 1938, the fiscal year was changed by law to end June 30.												
^{2/} See table 1, footnote 1. For the value of Honduran currency, see table 1, footnote 2.												
^{3/} General exports. Bullion and specie are included. Parcel post is excluded. Transit and transshipment trade is excluded.												
^{4/} Not shown separately.												
^{5/} Less than one-tenth of 1 percent.												
^{6/} Includes trade with the following countries:												
Exports to:												
	Value	Percent		Value	Percent		Value	Percent		Value	Percent	
	(\$1,000)	of total		(\$1,000)	of total		(\$1,000)	of total		(\$1,000)	of total	
El Salvador	240	2.9		240	2.9		240	2.9		424	4.1	
Netherlands	227	2.8		227	2.8		227	2.8		353	3.4	
Belgium	98	1.2		98	1.2		98	1.2		84	.8	
Imports from:												
	Value	Percent		Value	Percent		Value	Percent		Value	Percent	
	(\$1,000)	of total		(\$1,000)	of total		(\$1,000)	of total		(\$1,000)	of total	
Netherlands West Indies	---	---		---	---		---	---		---	---	
El Salvador	---	---		---	---		---	---		---	---	
Belgium	---	---		---	---		---	---		---	---	
Exports to:												
El Salvador	252	2.6		252	2.6		252	2.6		479	4.9	
Canada	103	1.0		103	1.0		103	1.0		379	3.9	
Netherlands	35	.4		35	.4		35	.4		72	.7	
Guatemala	33	.3		33	.3		33	.3		---	---	
Belgium	23	.2		23	.2		23	.2		---	---	
Imports from:												
El Salvador	---	---		---	---		---	---		---	---	
Netherlands West Indies	---	---		---	---		---	---		---	---	
Belgium	---	---		---	---		---	---		---	---	

^{2/} General imports. Bullion and specie are included. Parcel post is included. Transit and transshipment trade is excluded.

Source: Compiled by the U. S. Tariff Commission from Pan American Union, Foreign Trade Series No. 135 (1928-29 and 1931-32 statistics); Memoria del Subsecretario de Estado encargado del Despacho de Hacienda y Crédito Público (1935-36 to 1938-39 statistics).

HONDURAS

PERCENTAGE DISTRIBUTION OF IMPORTS AND EXPORTS

1929, 1932, 1936-1938

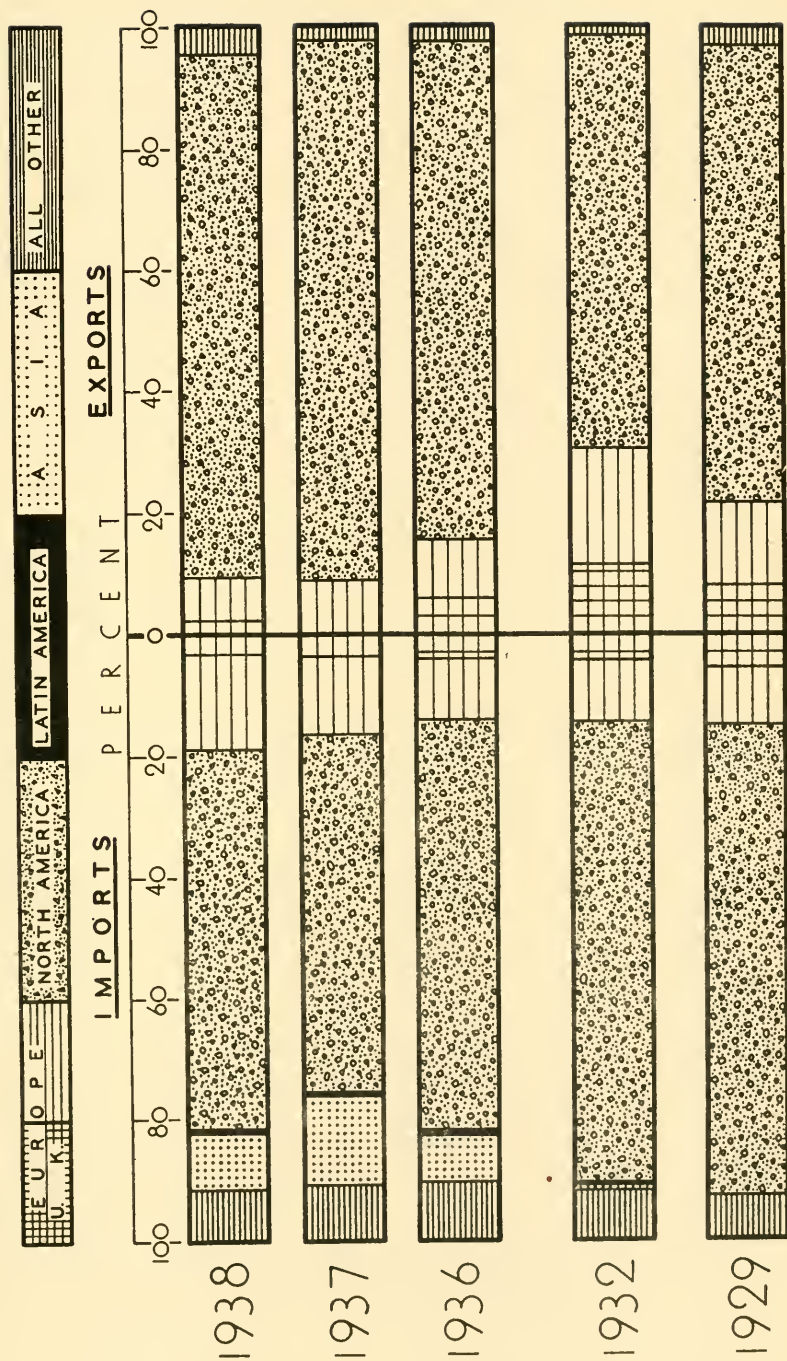


Table 6. - Honduras: Foreign trade, by geographic areas and principal countries, in 1937^{1/}

(Value in thousands of U. S. dollars)					
Exports ^{2/}			Imports ^{2/}		
Country	Value	Percent of total trade	Country	Value	Percent of total trade
Western Hemisphere:			Western Hemisphere:		
UNITED STATES -----	8,563	88.8	UNITED STATES -----	6,029	58.0
El Salvador -----	152	1.6	Netherlands West Indies	555	5.4
All other Western Hemisphere countries:	69	.7	El Salvador -----	252	2.5
			Canada -----	138	1.3
			Peru -----	63	.6
			Cuba -----	54	.5
			All other Western Hemisphere countries -	94	.9
Total -----	8,784	91.1	Total -----	7,185	69.2
Europe:			Europe:		
Germany -----	130	1.4	Germany -----	990	9.5
United Kingdom -----	58	.6	United Kingdom -----	339	3.3
Netherlands -----	342	3.5	Netherlands -----	94	.9
France -----	176	1.8	France -----	94	.9
Belgium -----	138	1.5	Belgium -----	39	.4
Italy -----	3	3/	Italy -----	21	.2
Czechoslovakia -----	6	.1	Spain -----	27	.3
All other European countries -----	-	-	Czechoslovakia -----	24	.2
			Sweden -----	21	.2
			All other European countries -----	35	.3
Total -----	853	8.9	Total -----	1,684	16.2
Asia:			Asia:		
Japan -----	4	3/	Japan -----	1,516	14.6
All other Asiatic countries -----	-	-	All other Asiatic countries -----	2	3/
Total -----	4	3/	Total -----	1,518	14.6
Africa -----	-	-	Africa -----	4/	2/
Oceania -----	-	-	Oceania -----	-	-
Grand total -----	9,641	100.0	Grand total -----	10,387	100.0

1/ Fiscal year ending July 31. For the value of Honduran currency, see table 1, footnote 2.

2/ General trade. Bullion and specie are included. Transit and transshipment trade is excluded. Parcel post is excluded from exports but included in imports.

3/ Less than one-tenth of 1 percent.

4/ Less than 500.

Source: Compiled by the U. S. Tariff Commission from Memoria del Subsecretario de Estado encargado del despacho de Hacienda y Crédito Público, 1937-38.

Imports into Honduras.

Trend. - Imports into Honduras consist of a wide variety of finished manufactured products, raw materials, and foodstuffs and beverages. Important developments in the import trade in the period 1929-39 included a decline in the total value of imports, a decline in the share of foodstuffs and beverages, the decline in the importance of the United States as a supplier of imports, and the increasing importance of Germany and Japan. Imports into Honduras from all countries and from the United States in the fiscal years 1924-39 have already been shown in tables 1 and 2.

The year 1929, the earliest shown in the subsequent detailed table, was not a peak year in Honduran imports from the world or from the United States. In contrast with the situation in most of the Latin American countries, imports into Honduras reached their peak in 1930.^{1/} Imports from the world in 1930 exceeded the average for the 6 years 1924-29 by 24 percent; those from the United States exceeded the 6-year average by 23 percent.

Total imports into Honduras in 1929 were valued at 14.9 million dollars. They increased to 15.9 million dollars in 1930, but dropped sharply thereafter, reaching a low of 6.3 million in 1933, or 39 percent of the 1930 value. After 1933 the value of imports recovered irregularly, reaching 10.4 million dollars in 1937, or 70 percent of the 1929 level. In the 1938 fiscal year they declined slightly to 10.3 million dollars. Imports in 1939 were valued at 9.7 million dollars, or 65 percent of the 1929 value.^{2/}

^{1/} Fiscal year ending July 31.

^{2/} Price and quantum indexes of Honduran imports are not available.

Composition. - Honduran imports consist in large part of manufactured products. In the period 1929-39, from three-fifths to more than three-fourths of all imports, in terms of value, came under this classification; in the later years of the decade the ratio increased, reaching 77 percent in 1939. Imports into Honduras, by groups, principal subgroups, and commodities, in specified fiscal years, 1929 to 1939, are shown in table 7.^{1/}

Manufactured products imported into Honduras consist of a wide variety of commodities, few of which account for more than 2 percent of total imports. In 1937, the last year for which detailed statistics are available, more than two-fifths of all imports of manufactured products was accounted for by six commodities or groups of commodities. These, with their share of the value of total imports in that year, were: Cotton fabrics, 14 percent; iron and steel and manufactures, 13 percent; chemicals, 7 percent; machinery and tools, 6 percent; medicines and pharmaceutical products, 3 percent; and silk and rayon fabrics, 2 percent. Other manufactured products included paper and cardboard and manufactures; rubber and manufactures; automobiles and parts; leather; cotton thread; airplanes and accessories; explosives; hosiery; shoes; and railway ties.

Articles designated in the Honduran statistics as raw materials accounted for 11 to 16 percent of the value of all imports in the period 1929-39. The leading commodity in this group, petroleum and its products, in general constituted one-half or more of such imports. Other raw materials include woods of all kinds, lime, and fertilizers (see table 7).

^{1/} For years subsequent to 1937, data on the composition of imports into Honduras are available only by major groups and not by individual commodities.

The ratio of imports of foodstuffs and beverages to total imports declined in the period 1929-39. In 1929, 18 percent of the value of all Honduran imports consisted of foodstuffs; by 1939, the share had fallen to 10 percent. The commodities comprising the foodstuffs and beverages group cover a wide range of products, the principal of which are wheat, raw sugar, liquors, wheat flour, milk, and rice (see table 7).

Gold and silver bullion and coin constituted 10 percent of the value of all Honduran imports in 1932, 6 percent in 1936, and 5 percent in 1937. In all other years shown in table 7 such imports were either nil or negligible. The remaining import group - live animals - is unimportant in relation to total imports into Honduras.

Table 7. - Honduras: Exports, by groups, principal subgroups, and commodities, in specified fiscal years, 1929 to 1939

Commodity group, subgroup, or commodity	(Value in thousands of U.S. dollars)											
	1929	1932	1936	1937	1938	1939	1929	1932	1936	1937	1938	1939
	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total	Value	Percent of total
	Imports		Imports		Imports		Imports		Imports		Imports	
Grand total	14,861	100.0	8,368	100.0	8,723	100.0	10,387	100.0	10,343	100.0	9,703	100.0
Manufactured products	10,008	67.3	5,104	61.0	5,607	64.3	7,379	71.0	7,859	76.0	7,488	77.2
Cotton fabrics, including drills	2,411	16.2	969	11.6	791	9.1	1,413	13.6				
Iron and steel and manufactures	1,007	6.8	342	4.1	1,126	12.9	1,319	12.7				
Chemicals	152	1.0	106	1.3	139	1.6	722	7.0				
Machinery and tools	857	5.8	542	6.5	745	8.5	597	5.7				
Medicines and pharmaceutical products	375	2.5	253	3.0	261	3.0	310	3.0				
Silk and rayon fabrics	114	.8	22	.3	104	1.2	233	2.2				
Paper and cardboard, and manufactures	96	.6	81	.9	168	1.9	174	1.7				
Rubber manufactures, including tires and tubes	142	1.0	7	.1	122	1.4	155	1.5				
Automobiles and parts	363	2.4	47	.6	128	1.5	139	1.3				
Leather	214	1.4	115	1.4	151	1.7	132	1.3				
Cotton thread	119	.8	67	.8	85	1.0	127	1.2	10			
Airplanes and accessories	10	.1	10	.1	37	.4	120	1.2				
Explosives	97	.7	66	.8	98	1.1	119	1.1				
Hosiery	10	.1	10	.1	86	1.0	108	1.0				
Shoes of all kinds	408	2.7	217	3.0	83	1.0	101	1.0				
Railway ties	10	.1	10	.1	125	1.4	100	1.0				
Wearing apparel, except hosiery	10	.1	10	.1	68	.8	90	.9				
Railway cars, locomotives, and tenders	298	2.0	169	.8	90	1.0	89	.9				
Perfumes, cosmetics, and toilet articles	10	.1	10	.1	84	1.0	84	.8				
Raw materials	2,091	14.1	893	10.7	1,426	16.4	1,322	12.8	1,393	13.5	1,203	12.4
Petroleum products	1,074	7.2	574	6.9	790	9.0	911	8.8				
Petroleum, crude	10	.1	339	4.1	479	5.5	580	5.6				
Gasoline	10	.1	143	1.7	199	2.3	186	1.8				
Kerosene	10	.1	10	.1	41	.5	70	.7	10			
Woods of all kinds, including saw	691	4.6	140	1.7	251	2.9	102	1.0				
Lime	10	.1	10	.1	12	.1	101	1.0				
Fertilizers, including chemical	10	.1	10	.1	143	1.6	86	.8				

See footnotes at end of table.

Table 7. - Honduras: Imports, ^{1/} by groups, principal subgroups, and commodities, in specified fiscal years, 1929 to 1939-Continued

Commodity group, subgroup, or commodity ^{2/}	(Value in thousands of U. S. dollars)											
	1929			1932			1936			1937		
	Value	Percent of total	Imports	Value	Percent of total	Imports	Value	Percent of total	Imports	Value	Percent of total	Imports
Foodstuffs and beverages	2,695	18.1	1,495	17.8	1,177	13.5	1,172	11.3	1,087	10.5	996	10.3
Wheat	14/ 404	2.7	73	.9	159	1.8	231	2.2				
Sugar, raw	15/ 139	.9	15/ 83	1.0	15/ 162	1.9	216	2.1				
Wines, beers, liquors, and other beverages	427	2.9	16/ 188	2.2	135	1.5	130	1.2				
Milk, butter, and cheese (principally milk)	237	1.6	17/ 123	1.5	91	1.0	76	.7	10/	10/		
Wheat flour	10/		10/		113	1.3	72	.7				
Grains, except wheat (principally rice)	18/		10/		70	.8	68	.7				
Gold and silver, and gold and silver coin	-		871	10.4	510	5.8	500	4.8			2	13/
Silver coin	10/		10/		-	-	500	4.8	-	-	10/	
Gold coin	10/		10/		510	5.8	-	-	-	-		
Live animals	67	.5	4	.1	3	13/	5	.1	4	13/	14	.1

^{1/} General imports. Bullion and specie are included. Parcel post is included. Transit and transshipment trade is excluded. Values are invoice values, f.o.b. place of consignment, excluding consular fees, as declared by merchants. Values, except those for 1937-38, were reported in United States dollars.

^{2/} For the value of Honduran currency, see table 1, footnote 2/.

^{3/} Classifications employed in this table are those given in the Honduran import statistics for 1939. Groups are ranked according to value in 1939.

^{4/} Prior to 1937-38, all years are fiscal years ending July 31. In 1938, the fiscal year was changed by law to end June 30. See table 1, footnote 1/.

^{5/} Exclusive of machinery and tools, automotive vehicles, and railway materials.

^{6/} Exclusive of mechanical tools and textile machinery.

^{7/} Exclusive of books, music, pictures, and other printed matter.

^{8/} Paper and cardboard only.

^{9/} Tires and tubes only.

^{10/} Not available.

^{11/} Exclusive of locomotives and tenders.

^{12/} Less than 500.

^{13/} Less than one-tenth of 1 percent.

^{14/} All grain.

^{15/} Includes a small amount of refined sugar.

^{16/} Exclusive of medicinal wines and champagne.

^{17/} Exclusive of cheese.

^{18/} Included with wheat.

Source: Compiled by the U. S. Tariff Commission from Memoria del Subsecretario de Estado encargado del despacho de Hacienda y Crédito Público, except 1929 and 1932 statistics, which are from Foreign Commerce Yearbook and the Pan American Union.

Sources. - The principal suppliers of Honduran imports in 1938, with the share of the total value furnished by each country, were the United States, 61 percent; Germany, 11 percent; and Japan, 9 percent. Other sources in 1938 included the Netherlands West Indies, El Salvador, the United Kingdom, Italy, Belgium, and France. In 1939 the principal suppliers of imports were the United States (65 percent), Germany (11 percent), and Japan (6 percent). Imports into Honduras from selected countries, in specified fiscal years, 1929 to 1939, have already been shown in table 5. More detailed data for 1937 have been shown in table 6.

The United States is by far the principal source of Honduran purchases abroad. Its share declined irregularly, however, from 78 percent in 1929 to 61 percent in 1938; in 1939 it increased to 65 percent. The value of purchases from the United States ranged from 4.6 million dollars (1933) to 11.9 million dollars (1930); in 1939, it was 6.3 million dollars. The share of Germany increased from 4 percent in 1929 and 1932 to 11 percent in 1938 and 1939. That of Japan rose from less than one-half of 1 percent in 1929 to 15 percent in 1937, but declined to 6 percent in 1939. In value, purchases from Germany varied from 304 thousand dollars (1932) to 1 million dollars (1938); and those from Japan ranged from 42 thousand dollars (1932) to 1.5 million dollars (1937). The increase of imports from Germany, particularly after 1936, was due largely to the development of the compensation system of trading. The proportion of imports purchased from the United Kingdom, Italy, and France has declined in recent years as compared with 1929 and 1932 (see table 7).^{1/}

^{1/} For the value of imports from these countries, see table 5.

Imports into Honduras from other countries of Latin America are fairly substantial. In 1937, for example, they were valued at 460 thousand dollars, or nearly 5 percent of total imports. In that year the principal Latin American suppliers were El Salvador, Peru, and Cuba. Most of the crude petroleum imported into Honduras comes from the Netherlands West Indies, but originates in Venezuela.^{1/} Imports from the Netherlands West Indies in 1939 amounted to 379 thousand dollars, or 4 percent of total imports.

Prior to the outbreak of war in Europe, manufactured products imported into Honduras originated principally in the United States, Germany, and Japan. The United States was the principal supplier of manufactures and semimanufactures of iron and steel; chemical products; medicinal compounds; hats; paper and cardboard and manufactures thereof; soaps; perfumes; colors, paints, and varnishes; prepared hides and skins; rubber and manufactures thereof; and wood and manufactures thereof. Japan was the principal source of cotton textiles, textiles of natural and artificial silk, and glassware, and ranked second as a supplier of hats, cotton thread, and rubber and manufactures thereof. The United Kingdom was the principal supplier of cotton thread. Germany ranked second as the source of a number of manufactured products, including manufactures of iron and steel; chemical products; colors, paints, and varnishes; paper and cardboard and manufactures; and prepared hides and skins. The United States ranked second as a supplier of cotton textiles, the Netherlands was the second source of medicinal compounds, and France was the second ranking supplier of perfumes.

^{1/} See part II, sec. 10 (Venezuela), of this report, p. 3.

In the raw materials import group, petroleum and its products have come principally from the United States, Peru, and the Netherlands West Indies. Crude petroleum has come chiefly from Curaçao, refined petroleum from the United States and Peru, gasoline from the United States, Peru, and El Salvador, and lubricating oil and grease from the United States. The United States has been the principal supplier of woods of all kinds, while fertilizers have originated chiefly in the United States and Germany.

In the foodstuffs and beverages group, the United States has been by far the principal supplier of wheat flour, milk, fish, preserved fruits, vegetable oils, and confectionery. Wheat has come almost entirely from Canada, the United States, and Argentina; sugar from the United States, El Salvador, and Cuba; and cheese from the United States, El Salvador, and other countries of Central America. El Salvador is customarily the source of rice imported into Honduras.

United States Trade With Honduras

Commerce between the United States and Honduras has depended principally upon the Honduran banana industry. Although the economic position of most Latin American countries is similarly dependent upon one or two leading income-producing exports, few have been so severely affected in recent years by the vicissitudes of nature and of markets as has Honduras.

Since 1929, there has been an almost continuous decline in the exports of Honduran bananas, all but a small part of which are marketed in the United States. Until 1933 the decline was attributable chiefly to the curtailment in production necessitated by the reduced demand for bananas in the United States. Since then it has been due to the competitive displacement of Honduran bananas by those obtained from other sources, and (after 1935), to the widespread loss in production caused by the banana leaf blight which struck Honduras first among the Central American countries. The production of bananas in neighboring countries, also affected by the blight, has been augmented by the large-scale development of new producing sites. In Honduras, however, efforts to increase production have consisted principally of combating the leaf blight by intensive spraying operations.

Because exports of bananas from Honduras have declined so markedly in recent years, the capacity of that country to provide payment for imports has been greatly reduced. United States commerce with Honduras, therefore, has declined materially since 1929.

Trend of United States-Honduran trade.

United States imports from Honduras (exclusive of gold and silver)^{1/} reached a high of 12.8 million dollars in 1929, culminating an era of rapidly increasing trade which had its origin in the development of the banana industry in Honduras. Merchandise import values declined slowly but steadily thereafter, chiefly because of declining prices and shipments of bananas, and were lowest in 1937, when they amounted to 5.7 million dollars. This trend differed materially from that of imports from Latin America as a whole, which increased after 1932. There was some recovery in Honduran trade after 1937, and in 1939, merchandise imports from Honduras reached 7 million dollars; in 1940 they were valued at 9.5 million dollars (see table 8).^{2/} Part of the recent increase in trade is due to the greater supply of marketable bananas resulting from the efforts of growers to combat the leaf blight.

United States exports to Honduras were also at a peak in 1929 (12.8 million dollars). After declining to a low of 4.5 million dollars in 1932, however, they recovered irregularly to 6.3 million dollars in 1938. In 1939, they declined to 5.8 million dollars, but in 1940 were 7.3 million dollars, the largest since 1930.

^{1/} For imports of gold and silver, see table 12.

^{2/} After 1935, United States imports of gold and silver from Honduras were substantially larger than in earlier years, the increase being principally in imports of gold (see table 12).

Table 8. - United States imports from and exports to Honduras, 1924-40,
and the 12-month periods September-August 1938-39 and 1939-40

(Value in thousands of dollars)					
Year	General imports		Exports (incl. reexports)		
	: Percent of total:		: Percent of total		
	: Value	: United States	: Value	: United States	
		: imports from		: exports to	
		: Latin America		: Latin America	
1924 -----	: 5,960	: 0.58	: 9,101	: 1.20	
1925 -----	: 8,719	: .87	: 9,570	: 1.10	
1926 -----	: 8,720	: .84	: 7,540	: .90	
1927 -----	: 9,311	: 1.00	: 8,487	: 1.10	
1928 -----	: 12,289	: 1.30	: 9,728	: 1.20	
	: :	: :	: :	: :	
1929 -----	: 12,833	: 1.30	: 12,811	: 1.40	
1930 -----	: 12,600	: 1.90	: 9,602	: 1.50	
1931 -----	: 11,870	: 2.50	: 5,980	: 1.90	
1932 -----	: 9,004	: 2.80	: 4,473	: 2.30	
1933 -----	: 7,046	: 2.20	: 5,030	: 2.30	
	: :	: :	: :	: :	
1934 -----	: 7,791	: 2.10	: 5,993	: 2.00	
1935 -----	: 6,226	: 1.40	: 5,633	: 1.60	
1936 -----	: 6,078	: 1.20	: 4,900	: 1.20	
1937 -----	: 5,674	: .84	: 5,568	: .96	
1938 -----	: 5,692	: 1.30	: 6,292	: 1.30	
	: :	: :	: :	: :	
1939 -----	: 7,031	: 1.40	: 5,812	: 1.00	
1940 ^{1/} -----	: 9,521	: 1.50	: 7,291	: 1.00	
	: :	: :	: :	: :	
12 mos. Sept.-Aug.: ^{1/}	: :	: :	: :	: :	
1938-39 -----	: 6,706	: 1.40	: 5,813	: 1.20	
1939-40 -----	: 8,963	: 1.50	: 7,024	: .96	
	: :	: :	: :	: :	
Percent change ---	: +33.7	: :	: +20.8	: :	
	: :	: :	: :	: :	

^{1/} Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

United States imports from Honduras.

Composition. - More than nine-tenths of United States imports from Honduras (exclusive of gold and silver) consist of bananas; the remainder is largely accounted for by mahogany in the log, coconuts in the shell, and coffee (see table 9).^{1/}

Bananas. - For several years before 1935 Honduras was the world's leading producer of bananas; it was also the principal source of United States imports. Since 1935, however, Jamaica and Mexico have become larger producers, and Honduras has been displaced by Mexico as the principal supplier of United States imports. In 1932, Honduras accounted for nearly one-third of total world exports of bananas, but in 1938, for only one-twelfth. The decreasing importance of Honduras as a source of bananas is attributable not only to declining production in Honduras but also to increasing production in Mexico, Guatemala, Brazil, and certain other countries.

United States imports of bananas in 1929 totaled 65.1 million bunches, of which 22.7 million, or 35 percent, came from Honduras. In 1933, total imports declined to a low of 39.6 million bunches, of which Honduras supplied 12.9 million, or 33 percent. Thereafter, as imports from Mexico, Guatemala, Panama, and other sources increased, the share of Honduras declined; in 1939, total imports were 57.1 million bunches, of which 11.8 million, or 21 percent, were from Honduras. In 1940, total United States imports of bananas

^{1/} For imports of gold and silver, see table 12.

amounted to 52.3 million bunches, of which 14.6 million, or 28 percent, came from Honduras.

Since 1936, the principal factor operating against increased shipments of bananas from Honduras has been the prevalence of the leaf blight which in that year infected a large number of the plants in the country. Cultivation of large acreages has been abandoned,^{1/} but production in other areas has been sustained, at least in part, by periodically spraying the plants with a fungicide. Mobile spraying units are used where the terrain permits, but extensive permanent spraying equipment has also been installed. Because of the substantial capital investment in spraying equipment, it is likely that producing acreage will be cultivated longer than was previously customary; moreover, in order to increase the yield, the cultivation is more intensive.

Dutiable status of imports. - Because bananas are on the free list, practically all of the United States imports from Honduras enter free of duty. The principal dutiable import is coconuts in the shell, the duty on which is 1/4 cent each, having been reduced from 1/2 cent in the trade agreement with the United Kingdom, effective January 1, 1939. The ad valorem equivalent on imports of

^{1/} The United Fruit Company, which accounts for most of Honduran exports of bananas, had 35,800 acres under banana cultivation at the end of 1939, as compared with 67,900 acres at the end of 1935 and 74,600 acres at the end of 1932.

coconuts from Honduras in 1938 was 32 percent, and in 1933, 17.3 percent.

In the trade agreement with Honduras, effective March 2, 1936, the United States made tariff concessions affecting most of the imports from Honduras. Under the agreement, the duty-free status of bananas, plantains, cacao beans, coffee, raw deerskins, and sarsaparilla root was bound against change. The duties on pineapples, prepared or preserved guavas, and mango and guava pastes and pulps were bound at the rates to which they had previously been reduced in the trade agreement with Haiti, effective June 3, 1935. The duty on natural balsam, not specially provided for, was reduced from 10 percent to 5 percent ad valorem. Although not mentioned in the agreement with Honduras, mahogany in the log was bound duty-free under the previous agreement with Brazil, effective January 1, 1936.

Table 9. - United States imports for consumption from Honduras of principal commodities, in specified years, 1929 to 1939

Commodity	1929	1932	1936	1937	1938	1939 ^{1/}
	Unit	Quantity				
Bananas, green or ripe	1,000 bunches	22,676	18,308	11,015	9,582	9,889
Coconuts, in the shell	Thousands	10,356	6,617	5,033	8,845	5,731
Coffee, raw or green	1,000 pounds	1,033	1,323	593	2,022	1,133
Mahogany, in the log	M board feet	3,137	-	5	303	1,489
	Tariff status					
Bananas, green or ripe	Free	11,513	8,610	5,691	5,097	5,126
Coconuts, in the shell	Dutiable	225	102	76	135	90
Coffee, raw or green	Free	214	104	65	152	71
Mahogany, in the log	Free	269	-	2/	26	134
Imports of commodities shown above		12,221	8,816	5,832	5,410	5,421
Total imports from Honduras		3/12,833	3/9,004	6,043	5,636	5,677
Principal imports (shown above) as percent of total value		95.2	97.9	96.5	96.0	95.5
						96.7

1/ Preliminary.

2/ Not over \$500.

3/ General imports.

Source: Compiled from official statistics of the U. S. Department of Commerce.

United States exports to Honduras.

The most conspicuous development affecting United States exports to Honduras in recent years has been the shipment of great quantities of equipment and supplies for use on the banana plantations to counteract the leaf blight. Customarily the principal groups of exports to Honduras have been machinery and vehicles, metals and manufactures, and textiles, but more recently exports of chemicals and related products (in large part copper sulphate used as a fungicide) have also become important (see table 10).

The installation of spraying equipment has greatly affected the trade in a number of the principal individual exports to Honduras (see table 11). The most noticeable increase has been in the exports of copper sulphate; shipments rose from a value of only a few dollars in 1932 to a peak of 688 thousand dollars in 1937, when copper sulphate became by far the largest single export to Honduras. Other large increases after 1935 occurred in the exports of metal drums, iron pipe, pipe fittings, rubber hose, and power pumps required to construct the spraying equipment.

Other outstanding exports from the United States to Honduras include cotton cloth, airplanes, wheat, gasoline, railroad ties, motor trucks, dynamite, tire casings, and fuel oil. Recent exports of most of the leading products, apart from those required in spraying operations, have been very much smaller than in 1929 (see table 11).

Table 10. - United States exports (domestic merchandise) to Honduras, by groups of commodities, in 1938 and 1939

(In thousands of dollars)

Groups of commodities	1938	1939 ^{1/}
Animals and animal products, edible, total ----	126	130
Animals and animal products, inedible, total ----	225	216
Leather -----	138	143
Vegetable food products and beverages, total ----	560	476
Vegetable products, inedible, except fibers and wood, total -----	175	171
Textile fibers and manufactures, total -----	919	663
Cotton manufactures -----	774	486
Wood and paper, total -----	355	285
Nonmetallic minerals, total -----	393	456
Refined mineral oils -----	273	275
Metals and manufactures, except machinery and vehicles, total -----	926	878
Iron and steel mill products -----	438	393
Advanced manufactures of iron and steel -----	375	378
Machinery and vehicles, total -----	986	1,284
Electrical machinery and apparatus -----	186	182
Industrial machinery -----	350	424
Automobile parts and accessories -----	103	170
Aircraft and parts -----	176	205
Chemicals and related products, total -----	1,221	928
Copper sulphate -----	653	350
Medicinal and pharmaceutical preparations -----	141	162
Miscellaneous -----	366	279
Total exports -----	6,252	5,766

^{1/} Preliminary.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Table 11. - United States exports (domestic merchandise) to Honduras of principal commodities, in specified years, 1929 to 1939

(Value in thousands of dollars)													
Commodity	Unit of quantity	1929			1930			1931			1932		
		Quantity	Value	1929	Quantity	Value	1930	Quantity	Value	1931	Quantity	Value	1932
Upper leather (except lining and patent):													
Cattle side, grain	1,000 sq. ft.	197	50	235	32	46	261	42	279	43	316	55	
Miscellaneous upper leather, n.e.s. 2/	do.	36	10	26	4	124	162	31	146	23	34	5	
Oatmeal groats and rolled oats	1,000 lbs.	445	46	232	25	33	392	32	495	40	468	39	
Wheat	1,000 bu.	80	117	110	78	33	45	57	167	159	194	121	
Wheat flour, wholly of United States wheat	1,000 bbls.	56	369	32	122	10	44	12	39	57	12	41	
Other wheat flour	do.	20	1	3	3/	4,223	131	1,748	6	29	9	32	
Sugar, refined	Short tons	2,451	42	2,982	37	1,935	2,080	45	2,337	50	2,940	68	
Automobile tire casings	Number	36	17	19	7	23	58	24	110	43	44	16	
Rubber hose and tubing	1,000 lbs.	2,835	244	3,073	129	452	205	14	1,788	90	1,331	71	
Sheetings, unbleached	1,000 sq. yds.	10,012	1,346	5,304	444	1,493	922	119	5,164	527	2,544	280	
Cotton cloth, bleached, dyed, and printed, and colored yarn fabrics	do.	348	36	240	14	249	362	28	268	19	322	21	
Jute manufactures	1,000 lbs.	21	21	13	6	2	15	38	1	1	1	3/	
Broadsilks, wholly or chiefly of silk	1,000 yds.												
Railroad ties, creosoted or otherwise preserved	Thousands	146	176	89	68	131	126	101	43	46	68	87	
Boards, planks, and scantlings, softwoods: Cypress	1,000 bd. ft.	1,050	67	361	17	1,047	197	13	1,499	79	109	6	
Gasoline and other petroleum motor fuel	1,000 bbls.	102	479	26	128	26	257	123	26	97	26	96	
Illuminating oil (kerosene)	do.	43	166	6	31	5	25	27	6	27	6	30	
Gas oil and distillate fuel oil	do.	214	171	8	16	7	15	13	21	24	8	18	
Residual fuel oil	do.	44	616	3	45	3	47	52	4	68	4	62	
Cylinder lubricating oil	do.												
Iron and steel scrap	Ton												
Iron sheets, galvanized	Short tons	1,155	114	74	7	17	45	5	18	2	23	2	
Steel sheets, galvanized	do.	415	37	154	11	265	17	458	42	179	358	29	
Structural shapes, fabricated	Ton	149	9	467	25	1,027	78	396	52	27	110	11	
Cast-iron soil pipe and fittings	Short tons	91	11	61	4	434	21	29	4	723	202	13	
Welded black pipe, steel and wrought iron	do.	368	38	176	16	31	113	12	355	38	294	28	
Welded galvanized steel pipe	do.	35	12	111	10	1,074	89	183	761	68	368	31	
Wire rope and cable, not insulated	do.												
Wire strand	do.												
Miscellaneous cutlery and parts 2/	do.												
Metal drums and containers for liquids	do.	5/	53		36	8	45	6	7	2	8	49	
Miscellaneous iron and steel manufactures 2/	do.		5/		17		15					225	
Pipe fittings and valves, brass and bronze	Cwt.	146	10	37	19	32	39	39	57	57	309	18	
Radio receiving sets	Number	37	4	395	19	1,159	45	38	473	18	526	18	
Diesel and semidiesel engines	do.	4	213	4	31	3	9			10	45	20	
Engine accessories and parts	do.		16		13		23			46		30	
Mining and quarrying machinery	do.		41		47		102			67		49	

See footnotes at end of table.

Table 11. - United States exports (domestic merchandise) to Honduras of principal commodities, in specified years, 1929 to 1939 - continued

Commodity	Unit of quantity	1929				1936				1937				1938				1939 1/			
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Reciprocating power pumps	Number	20	7	13	5	16	8	60	62	37	43	5	2								
Truck-laying tractors	Number	35	59	-	-	4	15	-	15	8	32	10	23								
Motor trucks, buses, and chassis, new	Number	131	6/ 166	6	5	39	27	64	42	42	35	93	86								
Passenger cars and chassis, new	Number	504	6/ 123	26	14	70	46	63	49	32	24	46	32								
Automobile parts for replacement on vehicles	-	-	52	-	20	-	31	-	35	-	38	-	44								
Aircraft - landplanes	Number	1	23	5	22	21	75	23	111	6	93	4	175								
Engines for aircraft	Number	1	1	3	5	20	19	21	33	13	9	1	2								
Aircraft parts, instruments, and accessories: (except tires)	-	-	2	-	7	-	51	-	49	-	70	-	27								
Druggists' nonproprietary preparations:	-	-	-	-	-	-	-	-	-	-	-	-	-								
Tablets, pills, capsules, powders, ointments, and similar manufactures	-	5/	5/	-	21	-	37	-	31	-	34	-	36								
Copper sulphate (blue vitriol)	1,000 lbs.	134	10	3/	-	1,313	53	12,508	682	17,911	653	9,444	250								
Ready-mixed paints, stains, and enamel	Gallons	7/	96	16,427	31	24,525	47	15,988	33	31,474	60	30,029	60								
Miscellaneous nitrogenous chemical fertilizer materials 2/	Tons	14	1	467	15	-	2/	23	1	2,109	55	-	77								
Dynamite	1,000 lbs	420	55	443	53	691	84	774	99	513	67	599	77								
Rifles	Number	32	3/	9	3/	67	2/	1,373	39	3,654	84	165	2								
Metallic cartridges	Thousands	46	26	17	3/	408	9	2,457	69	61	5	811	11								
Explosive shells and projectiles	Pounds	-	-	-	-	5,930	3	-	-	68,045	39	-	-								
Miscellaneous printed matter, including photographs and blueprints 2/	-	-	23	-	30	-	43	-	55	-	21	-	41								
Miscellaneous articles	-	-	79	-	24	-	41	-	60	-	53	-	54								
Exports of commodities shown above	-	-	5,832	-	1,800	-	2,321	-	3,072	-	3,724	-	2,636								
Total exports to Honduras	-	-	12,719	-	4,432	-	4,868	-	5,492	-	6,252	-	5,766								
Principal exports (shown above) as percent of total value	-	-	41.9	-	40.6	-	47.7	-	55.9	-	59.6	-	45.7								

1/ Preliminary.

2/ Data not strictly comparable for the series.

3/ Not over 500.

4/ Converted from board feet to ties at 35 board feet to a tie.

5/ Not separately classified.

6/ May include some second-hand articles.

7/ Not available.

8/ Shown in thousands of pounds.

Source: Compiled from official statistics of the U. S. Department of Commerce.

Balance of payments between the United States and Honduras.

In each year of the period 1929-37, the value of United States imports from Honduras exceeded exports thereto. In 1931 the excess reached 5.9 million dollars, but since that year, because of the almost continuous decline in imports, the size of the import trade balance has been much smaller. In 1938 it was replaced by an export balance (see table 12). Imports of silver and gold were substantial throughout the period; should they be considered as part of the merchandise account (as they might, appropriately, inasmuch as they are the products of Honduran mines), the customary import trade balance would be greatly increased.

A notable feature of the United States balance of payments with Honduras, compared with that of most other Latin American countries, is the absence of any credits for the United States in the form of interest, bond-redemption, and sinking-fund receipts. Honduras has no dollar indebtedness, and hence no service payments.

On the basis of the available statistics, the United States appears to have a substantial net debit balance in its financial transactions with Honduras. The statement, however, does not include the income from United States direct investments or the new investment of capital in Honduras. At times both may have been large compared with other items, but they partially offset each other in the balance of accounts. United States direct investments in Honduras were valued at 36.4 million dollars at the end of 1936.^{1/} Their value,

^{1/} U. S. Department of Commerce, American Direct Investments in Foreign Countries, 1936, p. 12.

however, may have changed considerably since that time, because of damage done to the banana plantations by the leaf blight and the subsequent investment of capital in spraying equipment. The income from such investments, though not reported separately in the statement, is partly represented by merchandise imports from Honduras. Some of the leading United States companies operating in Honduras are engaged in the exportation of bananas, chiefly to this market; part of the dollar revenue obtained from such sales in the United States is retained as income on the investments in Honduras. Similarly, the recent investment of new United States capital in Honduras, represented in large part by the installation of spraying equipment obtained in the United States, is recorded in United States merchandise exports to Honduras.

Table 12. - Partial balance of payments between the United States and Honduras, 1929-38

Note: Net credit balances for the United States indicated by +; net debit balances by -.

(In millions of dollars)												
	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938		
Trade and service items:												
Merchandise exports to Honduras <u>1/</u>	12.8	9.6	6.0	4.5	5.0	6.0	5.6	4.9	5.6	6.3		
Merchandise imports from Honduras <u>1/</u>	12.8	12.6	11.9	9.0	7.0	7.8	6.2	6.1	5.7	5.7		
Excess of merchandise exports to (+) or imports from (-) Honduras	-	-3.0	-5.9	-4.5	-2.0	-1.8	-6	-1.2	-1	+6		
Receipts from Honduras for shipping services <u>2/</u>												
	.5	.3	.3	.2	.1	.1	.1	.1	.1	.1		
Expenditures of Honduran travelers in U. S. <u>2/</u>	.3	.2	.2	.1	.1	.1	.1	.1	.2	.2		
Expenditures of U.S. travelers in Honduras <u>2/</u>	.3	.3	.3	.3	.3	.3	.3	.2	.2	.2		
Net receipts from (+) or payments to (-) Honduras for services <u>3/</u>	+5	+2	+2	-	-1	-1	-1	-	+1	+1		
Net receipts from (+) or payments to (-) Honduras on trade and service account <u>3/</u>	+5	-2.8	-5.7	-4.5	-2.1	-1.9	-7	-1.2	-	+7		
Gold and silver:												
Net gold imports from Honduras <u>1/</u>	-3	-3	-3	-3	-3	-5	-5	-1.0	-1.3	-1.1		
Net silver imports from Honduras <u>1/</u>	-1.3	-1.0	-1.5	-1.6	-1.1	-1.1	-1.2	-1.5	-1.6	-1.5		
Net gold and silver imports from Honduras	-1.6	-1.3	-1.8	-1.9	-1.4	-1.6	-1.7	-2.5	-1.9	-2.6		
Net balance on items shown <u>4/</u>	-1.1	-4.1	-7.5	-6.4	-3.5	-3.5	-2.4	-3.7	-1.9	-1.9		
<u>2/</u> Rough estimates.												
<u>1/</u> United States statistics, unadjusted.												
<u>2/</u> Excluding return on U. S. investments in Honduras.												
<u>4/</u> Exclusive of return on direct investments (receipts) and new investments (payments) in Honduras.												

Source: Especially prepared for this report by the Finance Division, Bureau of Foreign and Domestic Commerce,
U. S. Department of Commerce.

FEB 12 1944

